

WASHINGTON, D.C. Congressman Tim Ryan (D-Niles) delivered testimony today at a hearing of the International Trade Commission (ITC). The purpose of the hearing was to conduct a review of anti-dumping tariffs on carbon and alloy seamless standard, line and pressure pipe from the Czech Republic, Japan, Mexico, Romania and South Africa. V&M Star produces seamless pipe in Youngstown.

A copy of Congressman Ryan's testimony is included below along with background information on V&M Star and the sunset review process:

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### **Testimony of the Honorable Tim Ryan, U.S. Representative for the 17th District of Ohio**

#### **Seamless Pipe Sunset Hearing - March 2, 2006 at the U.S. International Trade Commission**

Good morning Chairman Koplan and members of the Commission. My name is Tim Ryan and

I represent the 17th Congressional District of Ohio. I return once again to this Commission to provide my testimony on behalf of the American steel industry and, this time, for V&M Star, which has a facility located in Youngstown, Ohio. I appreciate the opportunity to appear before you today and explain the importance of this case for my constituents in Ohio.

V&M Star is one of only a few steel companies left in Youngstown, a city in the heart of the "Steel Valley" an area referred to by some as the "Rust Belt". Although V&M is headquartered in Europe, its plant in Youngstown, Ohio is a place where good jobs provide families an opportunity to put their kids through college, pay taxes, and contribute to their local communities. As a producer of large diameter seamless line pipe, V&M's Youngstown plant has nearly 400 workers making pipe that is used in applications such as oil, gas or water pipelines or utility distribution systems.

Over the past three years, I have provided testimony several times before the Commission to express my support for the steel industry and to express my belief that unfair trade practices by foreign producers are crippling America's domestic manufacturing industry and can no longer be tolerated. I have witnessed first hand how unfairly traded imports forced many of the steel companies out of my district. When Maverick Tube Corporation shut down its Campbell pipe plant (formerly LTV) in mid 2003, it marked the closing of the last remaining Youngstown Sheet and Tube facility a facility that stretched for miles along the Mahoning River. The company once employed over 20,000 workers. Today, it's all gone.

In my previous testimony, I highlighted to the Commission the economic plight of my district in northeastern Ohio, but I would like to touch on it again. In my district, we have one of the highest poverty rates in the country. 80% of the children who go to Youngstown City Schools are below the poverty rate and they all receive free and reduced lunches. We have school children who have serious risks of lead poisoning because we haven't been able to afford lead paint removal. Our school systems are badly under-funded because our tax base has been

shrinking for years and manufacturing companies have been shutting down. Our companies, Mr. Chairman, are vital components to the economy of my district.

It is a great help to our community that V&M Star decided to keep this facility in Youngstown. Besides making quality products for their customers, the company provides good paying jobs to local workers and these wages are spent in the local community. In fact I understand the Mayor of Youngstown also submitted written testimony to the Commission to emphasize the importance of this company and its workers to the local economy. Not only is V&M one of the largest high wage employers in the city of Youngstown today, it is also one of the largest taxpayers with annual tax payments of over \$10 million.

I realize that the Commission will carefully review the record on this sunset review. I also know the reality is that without the continuation of these orders, imports will increase and will most likely threaten V&M and other seamless producers. V&M has explained to me that they are quite concerned about future imports from Japan and Mexico. Both countries have more than adequate seamless capacity to resume larger volumes of exports to the U.S. market *at dumped prices*.

The outcome of this sunset review is very important to V&M Star, their workers, the greater Youngstown community and to the entire domestic seamless pipe industry. I have worked hard in Congress to ensure that our domestic manufacturers have a level playing field in which to compete, and I hope that the Commission will take the appropriate steps to ensure that these antidumping orders are not revoked.

Thank you for providing me with this opportunity to testify. I know that you will find for American steel industry and its workers after reviewing all of the facts.

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**Sunset Review for Carbon and Alloy Seamless Standard, Line and Pressure Pipe from the Czech Republic, Japan, Mexico, Romania and South Africa**

Sunset Hearing at U.S. International Trade Commission - Washington, DC (March 2, 2006)

Investigation Nos. 731-TA-846-850 (Review)

**Background on Five-Year Sunset Reviews**

The Uruguay Round Agreements Act, approved in late 1994 amended the antidumping and

countervailing duty laws. As a result, the "Agreement" included a new provision which requires the Commerce Department (DOC) and the U.S. International Trade Commission (ITC) to conduct reviews

no later than five years after an antidumping or countervailing duty order is issued

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determine whether

revoking

the order would be likely to lead to continuation or recurrence of dumping or subsidies and of material injury.

In these reviews the Commerce Department has jurisdiction to determine if ending this order would lead to continued dumping or subsidization. The ITC has jurisdiction to determine if material injury exists and in accordance with their authority holds a hearing to receive expert testimony from parties in this review.

The Commission conducts five-year reviews on all orders that were issued since January 1, 1995. The Commerce Department issues a notice no later than 30 days prior to the five-year anniversary that they will initiate a review. Following the Commerce Department's initiation of the five-year review, the ITC will establish a schedule for the review.

These five-year reviews are normally conducted within 360 days of initiation of the review. Both Commerce and the Commission have the authority to extend these deadlines.

Finding: In five-year sunset reviews, the ITC determines whether revocation of the AD or CVD duty would be likely to lead to continuation or recurrence of material injury to the U.S. industry.

If the Commission's determination is affirmative, the order will remain in place.

If the Commission's determination is negative, the order will be revoked.

### **Five-Year Sunset Review Case Chronology**

2000	Commerce issues antidumping orders on imports from Japan, South
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Africa, Czech Republic, Mexico and Romania

May 2005                      ITC announces five-year reviews

August 2005                ITC issues decision to conduct five-year reviews.

September 2005          Commerce issues final results in five-year reviews. ITC establishes the schedule for five-year reviews.

**March 2, 2006**            ITC hearing on five-year sunset review

April 13, 2006            Scheduled date for ITC vote on five-year sunset review.

April 26, 2006      Commission's determinations due to Commerce.

### **Background on V&M Star - Youngstown, Ohio and Houston, Texas**

V&M Star has production facilities in Youngstown, Ohio and Houston, Texas. Both facilities are involved in the production of large diameter (greater than 4.5 inches and not over 16 inches in outside diameter) These seamless pipe products are used primarily for applications such as oil, gas, or water pipeline, or utility distribution systems. They are manufactured to meet the guidelines established by the American Petroleum Institute (API) and meet the API 5L specification.

The Youngstown facility has an electric arc furnace which melts scrap into steel which is cast into round products which are then converted into seamless API line pipe.

The Houston plant is the "heat treating" facility which provides further value to the product before it enters the market place for distribution to the consumer.



These are the company's only manufacturing facilities and together they employ 450 workers.